



राजपत्र, हिमाचल प्रदेश

हिमाचल प्रदेश राज्य शासन द्वारा प्रकाशित

शिमला, वीरवार 2 जून, 2011/12 ज्येष्ठ, 1933

हिमाचल प्रदेश सरकार

HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION SHIMLA

NOTIFICATION

Shimla, the 28th May, 2011

No. HPERC/SLDC/479.—In exercise of the powers conferred by clause(g) of sub-section(2) of section 181, read with sub-section (3) of section 32, of the Electricity Act, 2003 (36 of 2003) and all other powers enabling it in this behalf, the Himachal Pradesh Electricity Regulatory Commission, after previous publication, hereby makes the following regulations for levy and collection of fees and charges by the State Load Despatch Centre (SLDC) from generating companies and licensees, engaged in Intra-State transmission of electricity, namely:-

**REGULATIONS
PART-I
PRELIMINARY**

1. Short title, extent and Commencement

- (1) These regulations shall be called the Himachal Pradesh Electricity Regulatory Commission (Levy and Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2011.

- (2) These regulations shall extend to the whole of the State of Himachal Pradesh.
- (3) These regulations shall come into force from the date of their publication, in the Rajpatra, Himachal Pradesh.

2. Scope of Application

- (1) These regulations shall be applicable for determination of fees and charges leviable and collected by the State Load Despatch Centre.
- (2) These regulations shall apply to the users using the intra-State transmission system, and the transmission licensees and generating stations, being monitored/serviced by the State Load Despatch Centre.

3. Definitions

In these regulations, unless the context otherwise requires, -

- (1) “**Act**” means the Electricity Act, 2003 (36 of 2003);
- (2) “**additional capitalization**” means the capital expenditure incurred or projected to be incurred, after the date of commercial operation of the project and admitted by the Commission after prudence check;
- (3) “**aggregate revenue requirement**” or “**ARR**” means the costs pertaining to the State Load Despatch Centre which are permitted, in accordance with these regulations, to be recovered from the fees and charges determined by the Commission;
- (4) “**applicant**” means a Power System Operation Company/State Load Despatch Centre who has made an application for determination of fees and charges in accordance with these Regulations;
- (5) “**base year**” means the financial year immediately preceding first year of the control period and used for the purposes of these regulations;
- (6) “**buyer**” means a person buying power through medium term or long term access and whose scheduling, metering and energy accounting is coordinated by the State Load Despatch Centre;
- (7) “**capital cost**” means the capital cost as defined in regulation 15 of these regulations;
- (8) “**capital expenditure plan**” or “**CAPEX Plan**” means the expenditure of capital nature planned to be incurred during control period for creation of the assets of the State Load Despatch Centre;
- (9) “**Central Commission**” or “**CERC**” means the Central Electricity Regulatory Commission referred to in sub-section (1) of section 76 of the Act;
- (10) “**change in law**” means occurrence of any of the following events:-
 - (a) the enactment, bringing into effect, adoption, promulgation, amendment, modification or repeal of any law, or

- (b) change in interpretation of any law by a competent court, Tribunal or Indian Governmental Instrumentality which is the final authority under law for such interpretation, or
- (c) change by any competent statutory authority, in any consent, approval or licence available or obtained for the project;
- (11) **“charges”** means recurring and monthly payments to be collected by the State Load Despatch Centre (SLDC), or by the Power System Operation Company on its behalf, for the services rendered;
- (12) **“Commission”** means the Himachal Pradesh Electricity Regulatory Commission referred to in sub-section(1) of section 82 of the Act;
- (13) **“Conduct of Business Regulations”** means the regulations specified under sub-section (1) of section 92 of the Act;
- (14) **“contracted capacity”** means the capacity arranged through long term or medium term access;
- (15) **“control period”** means a multi-year period fixed by the Commission, from time to time, by a notification, published in the Rajpatra, Himachal Pradesh, for determination of fees and charges to be levied and collected by the State Load Despatch Centre;
- (16) **“day”** means the 24 hour period starting at 0000 hour;
- (17) **“fees”** means the one-time or annual fixed payments collected by the State Load Despatch Centre, or by the Power System Operation Company on its behalf, for the services rendered on account of registration, membership or any other account as specified by the Commission from time to time;
- (18) **“financial year”** means a period commencing on 1st April of a calendar year and ending on 31st March of the subsequent calendar year;
- (19) **“licensee”** means a person granted a licence under section 14 of the Act;
- (20) **“open access consumer”** means any person permitted by the Commission to receive supply of electricity from a person other than the distribution licensee of his area of supply, and “open access” shall be construed accordingly. The expression “open access consumer” includes a generating company and a licensee, who has availed of or intends to avail of open access;
- (21) **“Power System Operation Company” or “PSOC”** means a company, authority or corporation engaged in the operation of the State Load Despatch Centre in accordance with section 31 of the Act;
- (22) **“scheme”** means the facilities and equipments associated with and installed at the State Load Despatch Centre or Corporate office of the Power System Operation Company and also includes, but not limited to, the following, namely:-
 - (a) computer systems, hardware and software,

- (b) auxiliary power supply system comprising uninterrupted power supply, diesel generating set and DC power system,
 - (c) general telephone, fax and other off line communication system,
 - (d) other infrastructure facilities, such as air-conditioning, fire-fighting and construction and renovation of buildings,
 - (e) any innovative schemes, R&D projects and pilot projects for better system operation, such as synchrophasors, system protection scheme,
 - (f) Back-up control centres for the State Load Despatch Centre,
 - (g) surveillance camera system, and
 - (h) cyber security system;
- (23) **“seller”** means a person supplying power through medium term or long term access and whose scheduling, metering and energy accounting is coordinated by the State Load Despatch Centre³;
- (24) **“State Government”** means the Government of Himachal Pradesh;
- (25) **“State Load Despatch Centre” or “(SLDC)”** means the centre established under sub-section (1) of Section 31 of the Act;
- (26) **“user”** means the generating companies, distribution licensees, buyers, sellers and open access consumers, as the case may be, who use the intra-State transmission network or the associated facilities and services of the State Load Despatch Centre;
- (27) **“year”** means a financial year; and
- (28) the words and expressions used in these regulations and not defined herein but defined in the Act shall have the meanings respectively assigned to them under the Act.

PART-II

STATE LOAD DESPATCH CENTRE (SLDC)

4. State Load Despatch Centre

The State Load Despatch Centre shall be the centre established by the State Government to be operated by a Government company or any authority or Corporation established or constituted by it and shall be the apex body to ensure integrated operation of the power system in the State.

5. Functions of State Load Despatch Centre

The State Load Despatch Centre shall be responsible for-

- (a) scheduling and despatch of electricity;
- (b) carrying out real time operation for control of grid and ensuring reliability;

- (c) exercising the supervision and control over the intra-State transmission system;
- (d) monitoring grid operations;
- (e) keeping account of the electricity transmitted through the grid; and
- (f) co-ordinating with the Regional Load Despatch Centre (RLDC).

6. Duties and obligations of State Load Despatch Centre

- (1) The Power System Operation Company, in discharge of functions, obligations and duties of the State Load Despatch Centre, shall be guided by the provisions of the Act, rules, regulations and practice directions issued thereon by the Commission from time to time.
- (2) The Power System Operation Company, while operating the State Load Despatch Centre, shall also be guided by the contracts entered into between the licensees/ open access consumers and generating companies or between licensees and open access consumers. While discharging its duties and obligations, the Power System Operation Company shall not give any preferential treatment to any of the open access consumers.
- (3) The Power System Operation Company/ State Load Despatch Centre shall -
 - (a) comply with the directions of the Regional Load Despatch Centre;
 - (b) ensure that the directions issued by the Regional Load Despatch Centre to any transmission licensee or State Transmission Utility or other licensee of the State or Generating Company or Substations in the State are duly complied with;
 - (c) maintain transparency in its functioning and operations ;
 - (d) collect and maintain data of grid operation and transfer of electricity through the power system;
 - (e) prepare energy account including unscheduled inter-change (UI) account;
 - (f) prepare bills of unscheduled inter-change of electricity and the procedure for preparation of the same specifying therein the period of bill, mode of payment, time of payment, surcharge for delayed payment and penalty for non payment of bills; and
 - (g) perform such duties as specified by the Commission in any other regulation or otherwise.
- (4) The Power System Operation Company operating the State Load Despatch Centre shall upload on its website as well as submit the following statement or reports to the Commission:-
 - (a) Monthly Energy Accounting Statement indicating source-wise input and the Distribution Company/ Open Access Consumer-wise output of energy; and
 - (b) the reports on its operation as required by-

- (i) the Commission's Orders on generation tariff and transmission tariff; and
- (ii) any other regulations.

7. Prohibited activities

The Power System Operation Company operating the State Load Despatch Centre shall not engage in the business of trading in electricity.

8. Accounts of State Load Despatch Centre

The State Load Despatch Centre shall account all its expenses incurred separately and maintain its financial accounts separately. In case Power System Operation Company is operating the State Load Despatch Centre, the financial account related to the State Load Despatch Centre, shall be maintained separately by the Power System Operation Company.

PART-III

GUIDING PRINCIPLES

9. Tariff Framework

- (1) The Commission shall adopt Multi Year Tariff framework for approval of fees and charges for the State Load Despatch Centre during the control period.
- (2) The Power System Operation Company/State Load Despatch Centre shall file multi year application for determination of SLDC fees and charges with the Commission as per the timelines defined in **Appendix-I** to these regulations and the Commission shall process the same in accordance with these regulations and the Conduct of Business Regulations.
- (3) The application shall include statements containing Aggregate Revenue Requirement (ARR) for the previous year, base year and the projections for the control period. The information for the previous year should be based on audited accounts.
- (4) The applicant shall, immediately after the application is admitted by the Commission, post complete application on its website, and shall keep it on the website till its disposal by the Commission.
- (5) The application made shall be supported by affidavit of the person acquainted with the facts stated in the application.
- (6) The applicant shall, in the manner as may be directed by an order made by the Commission, publish a notice of the application in atleast two daily newspapers, one in the English language and one in the Hindi language, having wide circulation in the State.
- (7) Based on the applicant's objections/ suggestions from public and other stakeholders on the application, the Commission may, within 120 days of the receipt of the application, complete in all respects, and after considering all suggestions and objections from public and other stakeholders,-

- (a) issue, an order with such modifications and/or such conditions, as may be deemed just and appropriate containing, inter alia targets for controllable items, the State Load Despatch Centre fees and charges for each year of the control period; or
 - (b) reject the application for reasons to be recorded in writing if such application is not in accordance with the provisions of the Act and the rules and regulations made thereunder or the provisions of any other law for the time being in force.
- (8) The Commission shall, within seven days of making the order determining the fees and charges leviable by the State Load Despatch Centre, send a copy of the order to the Power System Operation Company.
- (9) The applicant shall publish the rates of fees and charges approved by the Commission in the newspapers, having circulation in the area of supply, as the Commission may direct. The publication shall, besides such other things as the Commission may require, include a general description of the rates of fees and charges.
- (10) An order determining the fees and charges leviable by the State Load Despatch Centre shall, unless amended or revoked, continue to be in force for such period as may be specified in the said order.

10. Multi Year Tariff (MYT) Framework

The multi year tariff framework shall be based on -

- (a) the business plan of the Power System Operation Company/State Load Despatch Centre for the entire control period to be submitted to the Commission for approval, prior to the beginning of the control period;
- (b) the applicant's forecast of expected fees and charges for each year of the control period, based on reasonable assumptions of the underlying financial and operational parameters, as submitted in the business plan.

11. Determination of base line values .-

The baseline values (operating and cost parameters) for the base year of the control period shall be determined by the Commission and shall be based on the latest audited accounts, estimate of the actuals for the relevant year, prudence check and other factors considered appropriate by the Commission. The Commission may re-determine the baseline values for the base year based upon the actual audited accounts of the base year.

12. Business Plan

The Power System Operation Company shall file for the Commission's approval, a business plan approved by its Management as per the timelines specified in **Appendix-I** to these regulations. The business plan shall be for the entire control period and shall, inter-alia, contain.-

- (a) **Capital expenditure (CAPEX) plan:** This should be commensurate with load growth and quality improvement proposed in the business plan. The capital expenditure plan should also include corresponding capitalisation schedule and financing plan;

- (b) The appropriate **capital structure and cost of financing** (interest on debt) and return on equity, terms of the existing loan agreements, etc;
- (c) **Operation and Maintenance (O&M) Expenses:** This shall include the costs estimated for the base year, the actual expenses incurred in the previous years and the projected values for each year of the control period based on the proposed norms for O&M cost, including indexation and other appropriate mechanisms;
- (d) **Depreciation:** This shall include the depreciation schedule based on the useful life of the asset and capitalisation schedules for each year of the control period;
- (e) **Other Information:** This shall include any other details considered appropriate by the Power System Operation Company for consideration during determination of fees and charges.

13. Capital Expenditure Plan (CAPEX plan)

- (1) The Commission shall approve the capital expenditure plan including scheme for augmentation submitted by the Power System Operation Company, based on the load growth forecast during the control period. The same would be considered for computation of ARR, wherein the amount of electricity handled by the State Load Despatch Centre shall be projected considering the estimated growth plan of its users and any plans of new transmission system, based on network expansion plans within the State.
- (2) Capital expenditure plan submitted by the Power System Operation Company shall also provide details of ongoing projects that will spill into the control period and new projects that will commence during the control period but may extend beyond the control period.
- (3) The capital expenditure plan shall be in conformity with the plans made by the transmission licensee and with the capital investment plans of the distribution licensee and the generating company(ies). The capital expenditure plan shall inter-alia include-
 - (a) purpose of investment (i.e. replacement of existing assets, meeting load growth, technical loss reduction, meeting reactive energy requirements, improvement in quality and reliability of supply, etc) ;
 - (b) Capital structure;
 - (c) Capitalisation schedule;
 - (d) Financing plan;
 - (e) Cost-benefit analysis;
 - (f) improvement in operational efficiency envisaged in the control period;
- (4) The Commission shall review the actual capital expenditure incurred and capitalisation at the end of each year of the control period vis-à-vis the approved capital expenditure and capitalisation schedule. In the normal course, the Commission shall not revisit the approved capital investment plan (capital expenditure and

capitalisation schedule) during the control period and adjustment to depreciation, interest on capital loan and return on equity for the actual capital expenditure incurred and capitalisation vis-à-vis approved capital investment plan (capital expenditure and capitalisation) shall be done at the end of control period.

- (5) In case the capital expenditure is required for emergency work which has not been approved in the Capital Investment Plan, the Power System Operation Company shall submit an application (containing all relevant information along with reasons justifying emergency nature of the proposed work seeking approval by the Commission. The Power System Operation Company shall take up the work prior to the approval of the Commission provided that the emergency nature of the scheme has been certified by its Management.

Provided that, for the purpose of this sub-regulation, such approved capital expenditure shall be treated as a part of actual capital expenditure incurred to the Power System Operation Company/State Load Despatch Centre as well as the approved capital expenditure by the Commission.

14. True Up and review at the end of control period.

- (1) The Commission shall carry out truing up exercise along with the application for determination of fees and charges filed for the period after the expiry of the control period, for the fees and charges recovered up to end of control period and admitted by the Commission after prudence check at the time of truing up.
- (2) The Power System Operation Company shall submit along with the application for truing up, details of capital expenditure including additional capital expenditure, sources of financing, operation and maintenance expenditure, etc incurred for the control period, duly audited and certified by the auditors for true up at the end of the control period. After true up the variations as approved by the Commission shall be adjusted in the ARR of the next control period or as may be deemed fit by the Commission.
- (3) Towards the end of the control period, the Commission shall review if the implementation of the principles laid down in these regulations has achieved their intended objectives. While doing this, the Commission shall take into account, among other things, the industry structure, sector requirements, consumer and other stakeholder expectations and the licensee's requirements at that point in time. Depending on the requirements of the sector to meet the objects of the Act, the Commission may revise the principles for the second control period.
- (4) The end of the first control period shall be the beginning of the second control period and the licensee shall follow the same procedure, unless required otherwise by the Commission. The Commission shall analyse the performance of the licensee with respect to the targets set out at the beginning of the first control period and based on the actual performance, expected efficiency improvements and other factors prevalent, determine the initial values for the next control period.

PART IV**DETERMINATION OF ANNUAL REVENUE REQUIREMENT AND COMPUTATION OF ANNUAL CHARGES****15. Capital Cost**

- (1) The capital cost for a State Load Despatch Centre shall include the expenditure incurred or projected to be incurred during the control period, including Interest During Construction (IDC) and financing charges, any gain or loss on account of Foreign Exchange Rate Variation (FERV) during construction and Incidental Expenditure During Construction (IEDC) in line with the CAPEX plan:

Provided that the value of the assets not in use shall not form part of the capital cost.

- (2) The capital cost admitted by the Commission after prudence check shall form the basis for determination of charges:

Provided that prudence check may include scrutiny of the reasonableness of the capital expenditure, financing plan, IDC, IEDC, use of efficient technology, cost over-run and time over-run, and such other matters as may be considered appropriate by the Commission: Provided further that the capital cost appearing in the books of accounts of the Power System Operation Company for the State Load Despatch Centre as on the date of transfer along with the approved capital expenditure plan for the control period shall be the basis for determination of charges.

16. Additional Capitalisation

The capital expenditure incurred or projected to be incurred after the date of commercial operation may, in its discretion, be admitted by the Commission, subject to prudence check: Provided that any expenditure on acquiring the minor items or the assets like tools and tackles, furniture, air-conditioners, voltage stabilizers, refrigerators, coolers, fans, washing machines, heat convectors, mattresses, carpets etc. brought after the date of commercial operation shall not be considered for additional capitalization for determination of fees and charges.

17. Debt Equity Ratio

For the purpose of determination of the State Load Despatch Centre fee and charges, the equity and outstanding debt as determined for the base year by the Commission shall be considered as given. However, for any fresh capitalization of assets, the Commission shall apply a debt-equity ratio of 70:30 on the capitalised amount as approved by the Commission for each year of the control period: Provided that where equity employed is in excess of 30%, the amount of equity for the purpose of determination of fee and charges shall be limited to 30% and the balance amount shall be considered as loan. The interest rate, applicable on the equity in excess of 30% treated as loan, has been specified in regulation 21. Where actual equity employed is less than 30% the actual equity shall be considered.

PART V
COMPUTATION OF ANNUAL CHARGES

18. ARR for State Load Despatch Centre

The aggregate revenue requirement for the State Load Despatch Centre for each year of the control period shall contain the following components :-

- (a) operation and maintenance expenses;
- (b) return on equity;
- (c) interest and finance charges;
- (d) depreciation; and
- (e) interest on working capital.

19. Operation and Maintenance Expenses

(1) Operation and Maintenance (O&M) Expenses shall comprise of the following:-

- (a) salaries, wages, pension contribution and other employee costs;
- (b) administrative and general expenses;
- (c) repairs and maintenance expenses;
- (d) other miscellaneous expenses, statutory levies and taxes (except corporate income tax).

(2) The O&M expenses for the base year will be approved by the Commission taking into account the latest available audited accounts, business plan filed by the Power System Operation Company for the State Load Despatch Centre, estimates of the actuals for the base year, prudence check and any other factors considered appropriate by the Commission.

(3) The O&M expenses for the n^{th} year of the control period shall be approved based on the formula given below:-

$$O\&M_n = (R\&M_n + EMP_n + A\&G_n)$$

$$R\&M_n = K \times (GFA_n - 1)$$

Where -

$$EMP_n = (EMP_{n-1}) \times (1 + G_n) \times (CPI_{inflation})$$

$$A\&G_n = (A\&G_{n-1}) \times (WPI_{inflation})$$

'K' is a constant (could be expressed in %). Value of K for each year of the control period shall be determined by the Commission based on the Power System Operation

Company/State Load Despatch Centre's filing, benchmarking of R&M Expenses, approved R&M Expenses vis-à-vis GFA approved by the Commission in past and any other factor considered appropriate by the Commission;

CPI_{inflation} – is the average increase in the Consumer Price Index (CPI) for immediately preceding three years before the base year;

WPI_{inflation} – is the average increase in the Wholesale Price Index (WPI) for immediately preceding three years before the base year;

EMP_n – is the employee costs of the Power System Operation Company for the State Load Despatch Centre functions for the nth year;

A&G_n – is the administrative and general costs of the Power System Operation Company for the State Load Despatch Centre functions for the nth year;

R&M_n – is the repair and maintenance costs of the State Load Despatch Centre for the nth year;

GFA_{n-1} – is the Gross Fixed Asset of the Power System Operation Company for the State Load Despatch Centre functions for n-1th year;

G_n - is a growth factor for nth year. Value of G_n shall be determined by the Commission in the MYT order for meeting the additional manpower requirement based on the Power System Operation Company/State Load Despatch Centre's filings, benchmarking, approved cost by the Commission in past and any other factor that the Commission feels appropriate.

20. Return on Equity

- (1) Return on equity shall be computed on the equity determined in accordance with regulation 1717 and on pre-tax basis at the base rate of 15.5% to be grossed up as per sub-regulation (3) of this regulation.
- (2) The rate of return on equity shall be computed by grossing up the base rate with the normal tax rate for the year 2010-11 applicable to the Power System Operation Company :

Provided that return on equity with respect to the actual tax rate applicable in line to the Power System Operation Company with the provisions of the relevant Finance Acts of the respective year during the control period shall be trued up separately for each year of the control period at the end of the control period.

- (3) Rate of return on equity shall be rounded off to three decimal points and be computed as per the formula given below:-

$$\text{Rate of pre-tax return on equity} = \text{Base rate} / (1-t)$$

Where t is the applicable tax rate in accordance with sub-regulation (2) of this regulation.

Illustration:-

1. In case of the Power System Operation Company paying Minimum Alternate Tax (MAT) @ 19.93% including surcharge and cess:

Rate of return on equity = $15.50 / (1 - 0.1993) = 19.358\%$.

2. In case of the Power System Operation Company paying normal corporate tax @ 33.99% including surcharge and cess:

Rate of return on equity = $15.50 / (1 - 0.3399) = 23.481\%$.

21. Interest and Finance Charges

- (1) Interest and finance charges on loan capital shall be computed on the outstanding loans, duly taking into account the schedule of repayment in accordance with the terms and conditions of relevant agreements of loan, bond or non-convertible debentures. Exception can be made for the existing or past loans which may have different terms as per the agreements already executed if the Commission is satisfied that the loan has been contracted for and applied to identifiable and approved projects for the State Load Despatch Centre.
- (2) The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each year applicable to the project for the State Load Despatch Centre:

Provided that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered: Provided further that if the State Load Despatch Centre does not have actual loan, then the weighted average rate of interest of the Power System Operation Company as a whole shall be considered.

- (3) The interest rate on the amount of equity in excess of 30% treated as notional loan shall be the weighted average rate of the loans of the respective years and shall be further limited to the rate of return on equity specified in these regulations:

Provided that all loans considered for this purpose shall be identified with the assets created: Provided further that the interest and finance charges of re-negotiated loan agreements shall not be considered, if they result in higher charges: Provided further that the interest and finance charges on works in progress shall be excluded and shall be considered as part of the capital cost: Provided further that neither penal interest nor overdue interest shall be allowed for determination of fee and charges.

- (4) In case any moratorium period is availed of in any loan, depreciation provided for in the fee and charges leviable during the years of moratorium shall be treated, as notional repayment of loan during those years and interest on loan capital shall be calculated accordingly.
- (5) The Power System Operation Company shall make every effort to refinance the loan as long as it results in net savings on interest benefit to the users and in the event the costs associated with such refinancing shall be borne by the users and any benefit on account of refinancing of loan and interest on loan shall be passed on to the users. Refinancing may also include restructuring of debt.

22. Depreciation

- (1) The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission.

- (2) Depreciation shall be calculated for each year of the control period, on the amount of original cost of the fixed assets of the corresponding year.
- (3) The salvage value of the asset (excluding IT equipments and Software's) shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the capital cost of the asset. The salvage value for IT equipments and Software's shall be considered as NIL and 100% value of the assets shall be considered depreciable.
- (4) Depreciation shall be calculated annually, based on the Straight Line Method and at the rates specified in **Appendix-II** to these regulations. The value base for the purpose of depreciation shall be original cost of the asset. Land is not a depreciable asset and its cost shall be excluded while computing 90% of the original cost of the asset.
- (5) Assets fully depreciated shall be shown separately.
- (6) Value of the assets not in use or declared obsolete shall be taken out from the capital cost for the purpose of calculation of depreciation.
- (7) Depreciation shall be charged from the first year of operation of the asset. In case, the operation of the asset is for the part of the year, the depreciation shall be charged on a pro rata basis.
- (8) In addition to allowable depreciation, the applicant shall be entitled to advance against depreciation (AAD), computed in the manner given hereunder: -

AAD = Loan (raised for capital expenditure) repayment amount based on loan repayment tenure, subject to a ceiling of 1/10th of loan amount minus depreciation as calculated on the basis of these regulations:

Provided that advance against depreciation shall be permitted only if the cumulative repayment upto a particular year exceeds the cumulative depreciation upto that year: Provided further that advance against depreciation in a year shall be restricted to the extent of difference between cumulative repayment and cumulative depreciation upto that year.

- (9) On repayment of entire loan, the remaining depreciable value shall be spread over the balance useful life of the asset.

23. Interest on working capital

- (1) The working capital shall cover-
 - (a) Operation and maintenance expenses for one month;
 - (b) Maintenance spares @ 40% of R&M expenses for 1 month; and
 - (c) Receivables equivalent to two months of the State Load Despatch Centre charges as approved by the Commission.
- (2) Rate of interest on working capital to be computed as provided hereinafter in these regulations shall be on normative basis and shall be equal to the Short Term Prime Lending Rate of the State Bank of India as on the 1st April of the relevant year.

- (3) The interest on working capital shall be payable on normative basis notwithstanding that the Power System Operation Company has not taken working capital loan from any outside agency or has exceeded the working capital loan based on the normative figures.

24. **Income from Charges**

Income from all charges and fee determined by the Commission for the State Load Despatch Centre operations shall be considered as income. This income shall include all fee and charges as may be specified by the Commission under these regulations.

25. **Billing and Payment of charges**

- (1) Bills shall be raised on monthly basis by the Power System Operation Company in accordance with these regulations, and payments shall be made by the users directly to the Power System Operation Company.
- (2) Persistent default in payment of the State Load Despatch Centre fee and charges would be brought to the notice of the Commission.
- (3) In case the payment of any bill for charges payable under these regulations is delayed by a user beyond a period of 60 days from the date of billing a late payment surcharge at the rate of 1.25% per month shall be levied by the system operator.
- (4) For payment of bills through letter of credit on presentation, a rebate of 2% shall be allowed. Where payments are made other than through letter of credit within a period of one month of presentation of bills, a rebate of 1% shall be allowed.

PART VI

LEVY AND COLLECTION OF FEES AND CHARGES

26. **State Load Despatch Centre Fee and Charges**

The State Load Despatch Centre may levy the following fee and charges on long term, medium term and short term customers:

- (a) **Connection Fee** – In accordance with the Himachal Pradesh Electricity Regulatory Commission (Grant of Connectivity, Long-term and Medium-term intra-State Open Access and Related Matters) Regulations, 2010;
- (b) **Registration Fee** – In accordance with regulation 27;
- (c) **State Load Despatch Centre Charges** – In accordance with regulation 29.

27. **Registration fee**

- (1) All users whose scheduling, metering and energy accounting is to be coordinated by the State Load Despatch Centre shall register themselves with the State Load Despatch Centre by filing application in the format prescribed as **Appendix-III** to these regulations.

- (2) The application for registration shall be accompanied by a one time fees of Rs 1 lakh.
- (3) The existing users shall, within a month of coming into force of these regulations, register themselves with the State Load Despatch Centre by filing an application along with the fees of Rs 1 lakh.
- (4) The State Load Despatch Centre, after scrutinizing application and after being satisfied with correctness of the information furnished in the application, shall register the applicant in its register duly intimating the applicant about its acceptance.
- (5) The State Load Despatch Centres shall maintain a list of registered users on its website.

28. Fees for connectivity to State Grid

The application for connectivity shall be filed and applicable fees shall be paid as per the Himachal Pradesh Electricity Regulatory Commission (Grant of Connectivity, Long-term and Medium-term intra-State Open Access and Related Matters) Regulations, 2010.

29. Levy and Collection of State Load Despatch Centre Charges

- (1) The Power System Operation Company/State Load Despatch Centre shall collect the fees and charges as determined under these regulations.
- (2) The Power System Operation Company/State Load Despatch Centre shall be entitled to levy and collect registration fees and charges from the users and power exchanges as specified in these regulations.
- (3) The Power System Operation Company/State Load Despatch Centre shall be entitled to levy and collect fees and charges for any other services rendered to the users and power exchanges as specified in any other regulations
- (4) The State Load Despatch Centre charges shall be payable monthly by the licensees, generating companies (including captive generating plants), distribution licensees and trading licensees using the intra-State transmission network under any agreement or arrangement with the transmission licensee in proportion to the capacity contracted.
- (5) The State Load Despatch Centre charges payable by users shall be determined by the Commission in accordance with following formula:-

$$\text{State Load Despatch Centre Charges} = \{\text{SLDC ARR (Rs Cr)} \div \text{Total Contracted Capacity (MW)}\} \times \{\text{Contracted Capacity of User (MW)}\}.$$

Where,

State Load Despatch Centre ARR – is as determined under Part IV.

Total Contracted Capacity – Is the total contracted capacity of the State in MW.

- (6) An amount equivalent to two months (or in case of short term open access, for such shorter period, for which open access is applied), of the State Load Despatch Centre charges shall have to be deposited in advance by every user as security against default in payment of the State Load Despatch Centre charges.

- (7) The State Load Despatch Centre charges determined under these regulations shall be inclusive of the charges recoverable from the open access consumers for use of the State Load Despatch Centre facilities, under the HPERC (Grant of Connectivity, Long-Term and Medium-Term Intra-State Open Access and Related Matters), Regulations, 2010 and the HPERC (Short Term Open Access) Regulations, 2010 but shall not include the other charges recoverable from such consumers under the said regulations.

PART-VII

MULTI YEAR FILINGS PROCEDURE

30. Multi-Year Filings for the Control Period

- (1) The multi year filings shall be in such form and in such manner as may be laid down by the Commission from time to time.
- (2) The applicant shall also submit the multi year filings in electronic format to the Commission.

31. Business Plan Filings

- (1) The applicant shall file for the Commission's approval, on 1st April of the year preceding the first year of the control period or any other date as may be directed by the Commission, a business plan and CAPEX plan approved by its Management in accordance with regulations 12 and 13.
- (2) The applicant shall file the application for approval of fees and charges for each year of the control period consistent with the CAPEX Plan, not less than 120 days before the commencement of the first year of the control period or such other date as may be directed by the Commission.
- (3) The filings for the State Load Despatch Centre fees and charges shall contain the following:-
 - (a) the network usage forecast for each year of the control period, consistent with the Business Plan;
 - (b) estimated budget for the control period;
 - (c) proposals for fees and charges for each year of the control period, and the procedure thereof;
 - (d) proposal for allocation of fees and charges applicable to each of the beneficiaries for the control period; and
 - (e) expected revenue from the fees and charges.

32. Periodic Returns during the Control Period

- (1) The Power system Operation Company shall submit periodic returns, as may be specified, containing operational and cost data to enable the Commission to monitor the implementation of its MYT order.

- (2) The Power system Operation Company shall submit to the Commission annual statements of its performance and accounts including the latest report of audited accounts.

PART-VIII

MISCELLANEOUS

33. Foreign Exchange Rate Variation

- (1) The Power System Operation Company operating the State Load Despatch Centre may hedge foreign exchange exposure in respect of the interest on foreign currency loan and repayment of foreign loan acquired for the State Load despatch Centre's system in part or full in the discretion of the Power System Operation Company.
- (2) The Power System Operation Company shall recover the cost of hedging of foreign exchange rate variation corresponding to the normative foreign debt, in the relevant year on year-to-year basis as expense in the period in which it arises and extra rupee liability corresponding to such foreign exchange rate variation shall not be allowed against the hedged foreign debt.
- (3) To the extent the Power System Operation Company is not able to hedge the foreign exchange exposure, the extra rupee liability towards interest payment and loan repayment corresponding to the normative foreign currency loan in the relevant year shall be permissible provided it is not attributable to the Power System Operation Company operating the State Load Despatch Centre or its suppliers or contractors.
- (4) The Power System Operation Company shall recover the cost of hedging and foreign exchange rate variation on year-to-year basis as income or expense in the period in which it arises.

34. Recovery of Cost of Hedging Foreign Exchange Rate Variation

Recovery of cost of hedging and foreign exchange rate variation shall be made directly by the Power System Operation Company from the users without making any application before the Commission: Provided that in case of any objections by the users to the amounts claimed on account of hedging or foreign exchange rate variation, the Power System Operation Company may make an appropriate application before the Commission for its decision.

35. Issue of Orders and Practice Directions

Subject to the provisions of the Act and these regulations, the Commission may, from time to time, issue orders and practice directions, prescribe formats in regard to the implementation of these regulations and procedure to be followed on various matters, which the Commission has been empowered by these regulations to direct, and matters incidental or ancillary thereto.

36. Powers to remove difficulties

In case of any difficulty in giving effect to any of the provisions of these regulations, the Commission may, either suo motu or on an application made to it, by general or special

order direct the applicant or licensee to take suitable action, not being inconsistent with the Act, which appears to the Commission to be necessary or expedient for the purpose of removing the difficulty.

37. Power of Relaxation

The Commission may, in public interest and for reasons to be recorded in writing, relax any of the provisions of these regulations.

38. Interpretation

All issues arising in relation to interpretation of these regulations shall be determined by the Commission and the decision of the Commission on such issues shall be final.

39. Enquiry and Investigation

All enquiries, investigations and adjudications under these regulations shall be done by the Commission in accordance with the provisions of the Conduct of Business Regulations.

40. Savings

- (1) Nothing in these regulations shall be deemed to limit or otherwise affect the inherent power of the Commission to make such orders as may be necessary to meet the ends of justice or to prevent abuses of the process of the Commission.
- (2) Nothing in these regulations shall bar the Commission from adopting in conformity with the provisions of the Act a procedure, which is at variance with any of the provisions of these regulations, if the Commission, in view of the special circumstances of a matter or class of matters and for reasons to be recorded in writing, deems it necessary or expedient for dealing with such a matter or class of matters.
- (3) Nothing in these regulations shall, expressly or impliedly, bar the Commission dealing with any matter or exercising any power under the Act for which no regulation or regulation have been framed, and the Commission may deal with such matters, powers and functions in a manner it thinks fit.

By Order of the Commission,

Sd/-

Secretary.

[See sub-regulation (2) of regulation 9 and regulation 12]

SUMMARY OF TIMELINES

Sr.No.	Description	Filing of the Document by date
1.	Business Plan for the control period	1st April of the previous year to the first year of control period
2.	Filing of Multi Year Petition for the control period	30th November, of the previous year to the first year of control period
3.	Filing of true up petition	30th November, of the first year of next control period

Appendix II

(See regulation 22)

DEPRECIATION SCHEDULE

S. No.	Asset Particulars	Depreciation Rate (Salvage value=10%) SML
A	Land owned under full ownership	0.00%
B	Land under lease	
(a)	For investment in land	3.34%
(b)	For cost of clearing site	3.34%
C	Other Assets	
(a)	Building & civil engineering works	
(i)	Offices and residential	1.63%
(ii)	Containing plant and equipments	3.34%
(iii)	Temporary erection such as wooden structures	3.34%
(iv)	Roads other than kutcha roads	100.00%
(v)	Others	1.63%
(b)	Transformers, kiosk sub-station equipment & other fixed apparatus (including plant foundations)	
(i)	Transformers (including foundations) having a rating of 100 kilo volt amperes and over	5.28%
(ii)	Others	5.28%
(c)	Switchgear, including cable connections	5.28%
(d)	Lightning arrestors:	
(i)	Station type	5.28%
(ii)	Pole type	5.28%
(iii)	Synchronous condenser	5.28%
(e)	Batteries	5.28%
(i)	Underground cable including joint boxes and disconnected boxes	5.28%
(ii)	Cable duct system	3.34%
(f)	Overhead lines including cable support	
(i)	Lines on fabricated steel operating at terminal voltages higher than 66 kV	3.34%
(ii)	Lines on steel supports operating at terminal voltages higher than 13.2 kV but not exceeding 66 kV	5.28%
(iii)	Lines on steel or reinforced concrete supports	5.28%
(iv)	Lines on treated wood supports	5.28%
(g)	Meters	5.28%
(h)	Self propelled vehicles	9.50%
(i)	Air conditioning plants:	
(i)	Static	5.28%
(ii)	Portable	9.50%
(j)	Office Furniture and Fixtures	
(i)	Office furniture and furnishings	6.33%
(ii)	Office equipments	6.33%
(iii)	Internal wirings including fittings and apparatus	6.33%
(iv)	Street Light fittings	5.28%
(k)	Apparatus let on hire:	

(i)	Other than motors	9.50%
(ii)	Motors	6.33%
(l)	Communication equipment	
(i)	Radio and higher frequency carrier systems	6.33%
(ii)	Telephone lines and telephones	6.33%
(m)	IT Equipments	15.00%
(n)	Softwares	30.00%
(o)	Any other assets not covered above	5.28%

**Appendix III –
(See regulations 27)**

(1) Name of the entity (in bold letters):

(2) Registered office addresss:

(3) User category:

(a) Generating Station

(b) Seller

(c) Buyer

(d) Transmission Licensee

(e) Distribution Licensee

(4) User details (as on 31st March of last financial year):

(a) **Category – Generating Station**

(i) Total Installed Capacity: _____

(ii) Maximum Contracted Capacity (MW) using Intra State Transmission System:

(iii) Points of connection to the Intra State Transmission System:

Sl. No.	Point of Connection	Voltage Level (KV)	Number of Special Energy Meters (main) installed at this location

(b) **Category- Seller/ Buyer/ Distribution Licensee**

(i) Maximum Contracted Capacity (MW) using Intra State Transmission System:

(ii) Points of connection to the Intra State Transmission System:

Sl. No.	Point of Connection	Voltage Level (KV)	Number of Special Energy Meters (main) installed at this location

(c) **Category- Transmission Licensee**

(i) Sub-stations

Sl. No.	Sub Station Name	Number of Transformers	Total Transformation Capacity or Design MVA handling capacity of switch station

(ii) Transmission lines

Sl. No.	Voltage Level (KV)	Number of Transmission lines	Total Circuit Kilometers

(5) **Contact person(s) details for meters related to State Load Despatch Centre:**

- (a) Name:
- (b) Designation:
- (c) Landline Telephone No.:
- (d) Mobile No.:
- (e) E-mail address:
- (f) Postal address:

(6) The above information is true to the best of my knowledge and belief.

Signature of Authorised Representative.

Place: _____

Date : _____

Name: _____

Designation: _____

Contact No.: _____

HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION SHIMLA**NOTIFICATION***Shimla, 31st May, 2011*

No. HPERC/SLDC/479 (Regulation).—In exercise of the powers conferred by regulation 3(15) of the Himachal Pradesh Electricity Regulatory Commission (Levy and Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2011, the Himachal Pradesh Electricity Regulatory Commission hereby fixes the period of three years starting from 01.04.2011 as multiyear control period for the purposes of the said regulations.

By order of the Commission.

Sd/-
Secretary.

HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION SHIMLA**NOTIFICATION***Shimla, 31st May, 2011*

No. HPERC/SLDC/479(Reg.).—In exercise of the powers conferred by regulations 30 (1) and 35 of the Himachal Pradesh Electricity Regulatory Commission (Levy and Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2011 and regulations 8 and 10 of the Himachal Pradesh Electricity Regulatory Commission (Guidelines and Formats for Tariff Filing) Regulations, 2005, the Himachal Pradesh Electricity Regulatory Commission, hereby makes the following Order laying down formats for the Multi Year Tariff filings by the generating company, namely:-

ORDER

1. Short title and commencement.—This Order may be called the Himachal Pradesh Electricity Regulatory Commission (Formats for Multi Year Tariff Filings by the Power System Operation Company / State Load Despatch Centre) Order, 2011.

(2) This Order shall come into force on the date of its publication in the Rajpatra, Himachal Pradesh.

2. Definitions.—In this order, unless the context otherwise requires,-

- (a) “Act” means the Electricity Act, 2003 (Act No. 36 of 2003);
- (b) “Annexure” means the annexure to this Order;
- (c) “Form” means the Form annexed to this Order;
- (d) “regulations” means the regulations made under the Act;
- (e) the words and expressions used and not defined in this Order but defined in the Act and the regulations framed thereunder shall have the meanings as assigned them in the Act.

3. Forms for Multi Year Tariff Filings by the Generating Company.—(1) The Multi Year Tariff filing by the Power System Operation Company / State Load Despatch Centre shall be in the Forms as given in the Annexure to this Order and hosted on HPERC website www.hperc.org.

(2) The Forms laid down in the Annexure to this Order, with such modifications or variations, as the circumstance of each case may require, shall be used for the purpose mentioned therein and where no Form is laid down to cover a contingency, Form as may be approved by the Commission shall be used.

By order of the Commission

Sd/--
Secretary.

Annexure
[See Para 3(1) of Order]

Index Of Regulatory Compliance Formats For Tariff Filing By Power System Operation Company:

A) SUMMARY FORMATS

Sr. No.	Format No.	Format Description
1	S1	Annual Revenue Requirement
2	S2	Return on Equity
3	S3	Normative Parameters considered for tariff calculations

B) FINANCIAL FORMATS

4	F1	R&M Expenses
5	F2	Employee Cost
6	F3	Employees strength
7	F4	Administration & General Expenses
8	F5	Statement of Fixed Assets and Depreciation
9	F6A	Domestic loans, bonds and Financial leasing
10	F6B	Details of Project specific loans
11	F6C	Details of Foreign loans
12	F6D	Calculation of Weighted Average Rate of Interest on Actual Loans
13	F6E	Draw Down Schedule for Calculation of IDC & Financing Charges
14	F6F	Details of Allocation of corporate loans to various projects
15	F7	Details of expenses Capitalised
16	F8	Contribution Grants & subsidies towards Capital assets
17	F9	Project-wise / Scheme-wise Capital Expenditure
18	F10	Capital works in Progress
19	F11	Working Capital Requirement

20	F12	Abstract of Admitted Capital Cost for the existing Projects
21	F13	Abstract of Capital Cost Estimates and Schedule of Commissioning for the New Projects
22	F14	Element wise Break up of Capital Cost
23	F15	Financial Package upto COD
24	F16	Statement of Additional Capitalisation after COD
25	F17	Financing of Additional Capitalisation
26	F18	Share Capital and Reserves & Surplus

PERSONNEL (AP-II) DEPARTMENT

OFFICE MEMORANDUM

Shimla-2, 1st June, 2011

Subject.—Regarding publication of Notification / Orders in official Gazette.

No. Per(AP.B)D(8)-1/2011.—In continuation of this department O.M. No. Per (AP.B)D(8)-1/2005 dated 15-02-2006, No. Per(AP.B)B(2)-3/2001 dated 29-05-2006, 19-04-2007, 16-04-2008 & 17-03-2010 and No. Per(AP.B)B(8)-1/2011 dated 09-03-2011, on the subject cited above, the undersigned is directed to re-iterate that all the departments will ensure that statutory rules/orders / regulations are invariably published in the Government Gazette strictly as per the prescribed law without any mistakes and delay. It will also be ensured by the departments that the short title, commencement and year of publication of every Rule should be the same. Any lapse in this regard will be viewed seriously.

By order,
Sd/-
Pr. Secretary (Personnel).